July 13, 2026 04:00 AM GMT

Technology - Global Semiconductors

The Analog Playbook: 2Q26 800v dynamics in play

We launch our quarterly analog playbook identifying market focus into the print. This quarter we expect investor focus on (i) whether improving orders are a reflection of inventory restocking or genuine end-market acceleration, and (ii) power semi deployment in the data center.

We expect the Q2 quarterly prints to build on the improving demand trends that emerged last quarter. Channel inventories continue to screen lean, gradual replenishment is underway and pricing pressure is easing providing a supportive backdrop for another quarter of above-seasonal performance. **The key debate will be whether improving orders reflect the start of a broader restocking cycle or genuine end-market acceleration.** Based on our channel checks, we continue to favour the latter, with companies highlighting pricing discipline, limited order cancellations and longer customer order visibility as signs of healthier underlying demand rather than speculative inventory builds. Alongside improving factory utilisation and lower underutilisation charges, we expect these dynamics to support further margin expansion, reinforcing our view that the analog sector is entering the early stages of a more durable earnings recovery. With this note we launch our **global analog model** tracking group revenue, margin trajectory, FCF dynamics and valuation metrics by stock.

Data center as the key debate this quarter; our core thesis remains unchanged. Investor focus this earnings season is likely to centre on the implications of Nvidia replacing the Kyber rack architecture with a new solution, and the implications for power semiconductor deployment into 2027/28. While we acknowledge execution risk around the phasing of 800V adoption as rack architectures evolve, our channel checks indicate sidecar power systems are being introduced independently at lower voltages, supporting shipments from 3Q26 and helping limit downside to our server rack assumptions. We therefore expect Infineon to reaffirm its €1.5bn (FY26) and €2.5bn (FY27) data centre sales guidance, underpinned by a structurally rising power content per rack and improving $/kW economics. Meanwhile, accelerating demand for optical networking solutions remains a key upside driver for STMicroelectronics, where rollout of the PIC100 and higher-margin optical products could support further upgrades to revenue and margin guidance.

Stock in focus: STMicroelectronics. We are calling out STMicroelectronics as our preferred analog stock this quarter for an earnings surprise. Ahead of the quarter, we lifted our PT to €78 on growing confidence in STM's optical exposure and cyclical recovery. For FY26, we estimate 9% and 30% yy growth for the automotive and industrial segments respectively and now see data center sales growing at a 77% CAGR FY26 to FY28, surpassing $3bn in FY28. We also like the LEO story and model sales ramping from $815mn FY26 to $1.8bn FY28 (see our TechBytes *Space*

MORGAN STANLEY & CO. INTERNATIONAL PLC+

Lee Simpson
Equity Analyst
Lee.Simpson@morganstanley.com +44 20 7425-3378

Shawn Kim
Equity Analyst
Shawn.Kim@morganstanley.com +44 20 7677-1018

Nigel van Putten
Equity Analyst
Nigel.Putten@morganstanley.com +44 20 7425-2803

Amelia M Scicluna
Research Associate
Amelia.Scicluna@morganstanley.com +44 20 7425-6694

MORGAN STANLEY & CO. LLC

Joseph Moore
Equity Analyst
Joseph.Moore@morganstanley.com +1 212 761-7516

Nicole Kozhukhov
Research Associate
Nicole.Kozhukhov@morganstanley.com +1 212 761-1636

TECHNOLOGY - EUROPEAN SEMICONDUCTORS	
Europe	
Industry View	**In-Line**
SEMICONDUCTORS	
North America	
Industry View	**Attractive**
GREATER CHINA TECHNOLOGY SEMICONDUCTORS	
Asia Pacific	
Industry View	**Attractive**
JAPAN SEMICONDUCTORS	
Japan	
Industry View	**In-Line**

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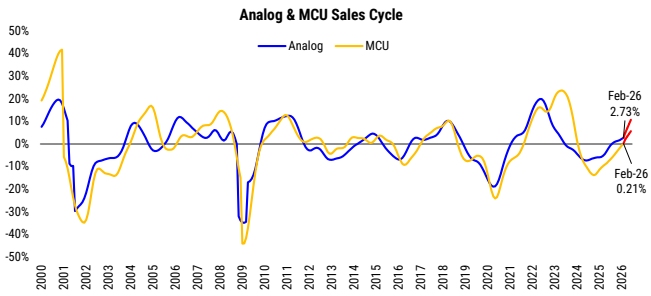
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Technology - Orbital Computing and 06 May note *LEO Opportunity Enters Orbit*). We recently moved to a sum-of-the-parts valuation framework to better reflect the emergence of the structural growth opportunities in LEO and optical. We value these segments on a 36x P/E multiple versus the 18x P/E multiple that we apply to the cyclical segment. This sets our PT of €78.

Please reach out if you would like to see our global analog model and server rack model.

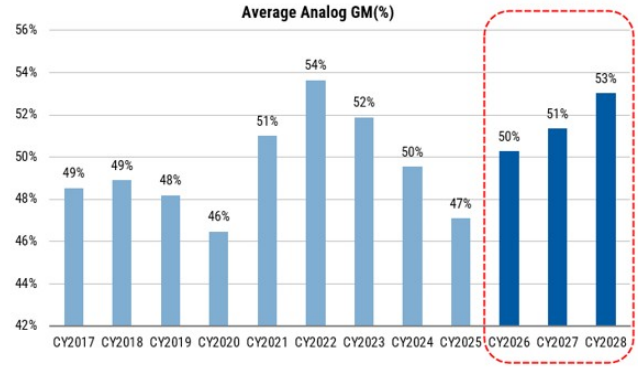
Our story in 6 charts

Exhibit 1: Cycle recovery is in play...



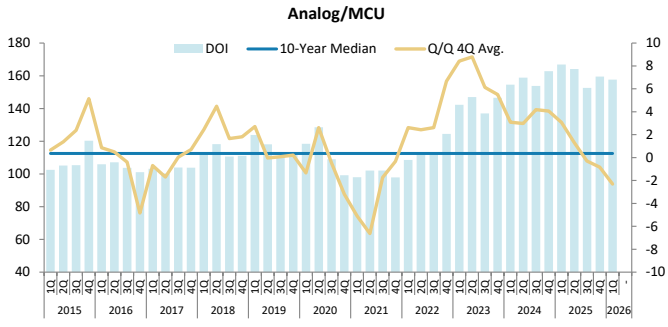
Source: AlphaWise, Morgan Stanley Research.

Exhibit 2: ...with margin expansion on the horizon...



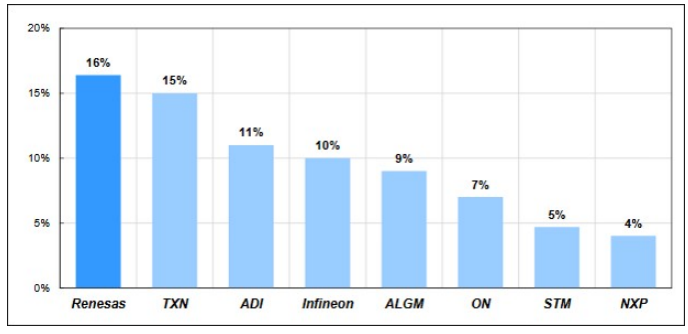
Source: Morgan Stanley Research estimates

Exhibit 3: ...and improving inventory dynamics.



Source: FactSet, Morgan Stanley Research

Exhibit 4: Data centre exposure by stock.



Source: Morgan Stanley Research estimates

Exhibit 5:

Analog stock preferences.



Source: Morgan Stanley Research

Exhibit 6: Our global analog coverage.

Stock	Rating	Thesis
Infineon	OW, PT €91 Covered by Lee Simpson	We view Infineon as best placed amongst European analog names for a cyclical recovery in automotive/industrial, demonstrating a superior ability to weather the headwinds facing these markets in the meantime. We expect new wins in autos to validate IFX's strategy (design focus, capacity build, proprietary IP). A strong IP library augurs well for GaN longer term too including use in EVs, data centres and energy storage.
STMicroelectronics	OW, PT €78 Covered by Lee Simpson	STM has a portfolio positioned for growth areas (BICMOS imaging sensors, GP MCUs). We see opportunity for recovery into FY26/27. We expect drivers of FY27 growth to come from data centres, with a material ramp in optical revenues driven by pluggables and NPOs (2027+), as well as LEOs in the CECP end market. We allow for a modest industrial recovery cycle starting 2H26. We see some signs of automotive recovery as ASIL-grade microcontroller (MCUs) design wins start to convert to sales (2027+).
Analog Devices	OW, PT $428 Covered by Joe Moore	We are OW ADI on the back of 3 reasons: 1) ADI has managed the downcycle well, only seeing 1 quarter of OPM% below 40%, 2) the company's revenue outlook looks strong with high industrial exposure, and 3) the company has relatively higher ASP products which should limit direct competition with emerging Chinese capacity. ADI is a core holding in the analog space long term as the company has exposure to the right end markets as well as superior margins and FCF generation, a result of developing a comprehensive analog portfolio via successful integration of Linear Tech and Maxim.
NXP	OW, PT $335 Covered by Joe Moore	We remain OW NXP on the back of: 1) NXP should outperform Auto semis in 2026 as auto joins other end markets in a recovery. 2) Structural improvements to the business: NXP has multiple levers to improve gross margin from here (channel shipments, internal utilization, and overall revenue growth); and 3) Favorable MCU set up into 2026 as momentum acceleration appears likely to inflect.
Allegro MicroSystems	OW, PT $51 Covered by Joe Moore	We see scope for Allegro to outperform over the next several years as the recovery remains in an upcycle, with earnings power increasingly supported by incremental secular growth vectors in auto electrification and industrial. 35x is in-line with the company's average PE multiple since 2022, but is a premium to auto semi peers and in-line with higher gross margin analog/MCU companies.
Renesas	OW, PT 6,000 JPY Covered by Kazuo Yoshikawa	After years of stagnation, we expect growth of memory interface and digital power for datacenters, MCU for E/E architecture, R-Car for ADAS to drive revenue growth from CY26. Product mix improvement should drive continued gross margin improvement. Data center revenue growth and sustained gross margin improvement outlook, as well as improved prospect of shareholder returns, could trigger re-rating.
Melexis	EW, PT €65 Covered by Nigel van Putten	Melexis enters FY26 with flat revenue expectations and only limited margin improvement, as typical industry drivers are not yielding meaningful growth. Innovation and mix benefits are offset by pricing dynamics, leaving operating leverage muted. We are EW as we await clearer visibility into sustained growth and margin expansion beyond FY26.
Microchip	EW, PT $94 Covered by Joe Moore	There's opportunity here as we think certain concerns surrounding the company are overblown (OM%, BS), but the biggest variable is revenue growth as a cyclical recovery would be an undeniable lever to EPS as well as dispel BS worries. There are considerable headwinds the company will have to get past including increased MCU competition, macro uncertainty, and regaining customer trust from overly extending PSP. If macro uncertainty subsides and we get indication that the MCU upcycle is strengthening, we would be quick to revisit our EW rating, but for now we remain EW.
Innoscience	EW, PT 69 HKD Covered by Daisy Dai	We believe Innoscience is well positioned to benefit from secular growth drivers for the GaN market, such as NVIDIA's 800V AI data centers, EVs and humanoid robotics. Despite these secular growth drivers, we expect competition to remain fierce and excessive capacity may persist industry-wide in the next five years on the back of aggressive capacity additions. We expect Innoscience's gross margin to improve at a moderate pace in 2026/27e, partly because of rising depreciation costs, and the company to incur losses until 2026e. Our EW relative to our coverage reflects balanced risk-reward on high revenue growth potential, amid lofty market expectations.
SG Micro	EW, PT 82 CNY Covered by Charlie Chan	The analog cycle has bottomed, but the rebound seems soft in sectors other than auto and AI. SG Micro should still enjoy top-line growth, backed by its comprehensive product portfolio (>6,800 SKUs). The long-term gross margin outlook should be stable, ranging from 48% to 52%, due to improvement in product mix and aggressive market share gains. SG Micro is actively engaging into optical networking business with ability to supply 800G/1.6T optical module. The stock is trading at 65x 2026e P/E, which is less compelling to us as it stands around its historical average.
Texas Instruments	UW, PT $221 Covered by Joe Moore	TI is looking to ramp capex over the next few years to help bring more manufacturing in-house, but this will act as a near-term headwind to earnings and FCF growth. The company has also seen pricing and market share pressure in personal electronics and enterprise, as customers move to multisource components, and face competition with local Chinese supply. The company trades at a premium valuation for its solid governance track record, and we admire the company's long-term direction, but we see this dynamic as limiting upside in the near-term as margin should come under pressure from the capex ramp.
Navitas	UW, PT $13.7 Covered by Joe Moore	The GaN market is increasingly looking more competitive, with STMicro, Infineon, and Renesas all making inroads into GaN via acquisitions and partnerships. While these larger players may expedite the adoption of GaN in markets outside smartphone chargers and expand the TAM, we expect these opportunities to be captured by more established power semi providers rather than Navitas given their supply assurance and automotive qualification experience. NVDA's 800V AI server racks are an enticing opportunity, but given competition and timeline, we think it is too early to fully price in this opportunity.
Silergy	UW, PT 388 TWD Covered by Charlie Chan	We have downgraded Silergy in view of its margin miss from foundry cost hikes and weak consumer demand. Its server and optical PMIC exposure remains relatively small. Our price target implies 23x 2027e P/E. We view valuation as more than full, especially after a strong stock rally.

Source: Morgan Stanley Research

Global Analog Forecasts

We launch our global analog model, a deep dive into how the global analog players stack against each other in terms of revenue, automotive revenue, industrial revenue, GM%, inventory, FCF and valuation metrics such as ROIC. **We expect FY26 to mark the start of the upcycle with gross margin expansion across all of our analog names.**

Exhibit 7: Our Global Analog Model

	CY2016	CY2017	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024	CY2025	CY2026e	CY2027e	CY2028e
Revenue													
Infineon (€mn)	6,563	7,193	7,794	7,976	9,281	11,588	15,010	16,059	14,677	14,900	16,662	18,624	
STMicroelectronics ($mn)	6,972	8,346	9,665	9,556	10,219	12,761	16,128	17,286	13,269	11,799	14,502	17,866	19,483
Melexis (€mn)	456	512	569	487	508	644	836	964	933	840	846	904	950
NXP Semiconductor ($mn)	9,498	9,256	9,407	8,877	8,612	11,063	13,205	13,276	12,614	12,269	14,138	15,557	16,407
Analog Devices ($mn)	3,636	5,642	6,223	5,754	5,858	8,444	12,579	11,569	9,338	11,757	15,499	17,105	18,570
Texas Instruments ($mn)	13,370	14,961	15,784	14,383	14,461	18,344	20,028	17,519	15,641	17,682	21,035	22,310	23,558
Microchip ($mn)	3,063	3,881	5,022	5,278	5,298	6,444	8,050	8,541	4,757	4,372	5,769	6,517	7,172
Navitas Semiconductor ($mn)	-	-	-	-	12	24	38	79	83	46	43	66	97
ON Semiconductor ($mn)	3,907	5,543	5,878	5,518	5,255	6,740	8,326	8,253	7,082	5,995	6,472	7,196	8,152
SG Micro (RMB mn)	452	522	572	792	1,197	2,238	3,188	2,616	3,347	3,898	4,961	5,852	6,744
Silergy (NT$ mn)	7,139	8,599	9,414	10,778	13,876	21,506	23,511	15,427	18,455	18,812	23,695	28,515	33,920
Renesas (¥bn)	699	779	757	718	716	994	1,503	1,469	1,348	1,318	1,568	1,754	1,959
Innoscience (RMB mn)						68	136	593	828	1,213	2,001	3,641	6,176
Y/Y(%)													
Infineon		9.6%	8.4%	2.3%	16.4%	24.9%	29.5%	7.0%	-8.6%	1.5%	11.8%	11.8%	
STMicroelectronics		19.7%	15.8%	-1.1%	6.9%	24.9%	26.4%	7.2%	-23.2%	-11.1%	22.9%	23.2%	9.1%
Melexis		12.1%	11.3%	-14.5%	4.3%	26.8%	29.9%	15.3%	-3.3%	-10.0%	0.7%	6.9%	5.0%
NXP Semiconductor		-2.5%	1.6%	-5.6%	-3.0%	28.5%	19.4%	0.5%	-5.0%	-2.7%	15.2%	10.0%	5.5%
Analog Devices		55.1%	10.3%	-7.6%	1.8%	44.1%	49.0%	-8.0%	-19.3%	25.9%	31.8%	10.4%	8.6%
Texas Instruments		11.9%	5.5%	-8.9%	0.5%	26.9%	9.2%	-12.5%	-10.7%	13.0%	19.0%	6.1%	5.6%
Microchip		26.7%	29.4%	5.1%	0.4%	21.6%	24.9%	6.1%	-44.3%	-8.1%	31.9%	13.0%	10.1%
Navitas Semiconductor		-	-	-	-	100.3%	59.9%	109.4%	4.8%	-44.9%	-5.9%	52.9%	47.4%
ON Semiconductor		41.9%	6.0%	-6.1%	-4.8%	28.3%	23.5%	-0.9%	-14.2%	-15.3%	7.9%	11.2%	13.3%
SG Micro		17.6%	7.7%	38.5%	51.0%	87.1%	42.4%	-17.9%	28.0%	16.5%	27.3%	18.0%	15.2%
Silergy		20.5%	9.5%	14.5%	28.8%	55.0%	9.3%	-34.4%	19.6%	1.9%	26.0%	20.3%	19.0%
Renesas		22.0%	-2.9%	-5.1%	-0.4%	38.9%	51.1%	-2.2%	-8.2%	-2.2%	18.9%	11.8%	11.7%
Innoscience							99.6%	335.3%	39.8%	46.4%	65.0%	81.9%	69.6%
Automotive Segment Revenue													
Infineon (€mn)						3,847	5,081	6,998	8,296	7,559	7,470	7,790	7,842
STMicroelectronics ($mn)		-	-	-	-	-	-	-	7,944	6,064	4,594	4,986	5,237
Melexis (€mn)	406	455	518	448	447	573	753	868	840	741	761	814	855
NXP Semiconductor ($mn)	3,688	4,263	4,507	4,212	3,825	5,493	6,879	7,484	7,151	7,116	7,944	8,998	9,691
Analog Devices ($mn)	1,048	1,471	1,541	1,484	1,453	1,989	2,598	2,975	2,847	3,380	3,673	4,003	4,480
Texas Instruments ($mn)													
ON Semiconductor ($mn)	1,321	1,665	1,846	1,819	1,686	2,289	3,361	4,320	3,901	3,081			
Silergy (NT$ mn)						121	962	1,186	1,899	2,280	3,460	4,133	4,916
Renesas (¥bn)	350	413	390	371	341	462	645	660	703	640	713	753	797
Innoscience (RMB mn)								4	42	61	123	246	369
Y/Y(%)													
Infineon						32.1%	37.7%	18.5%	-8.9%	-1.2%	4.3%	0.7%	
STMicroelectronics									-23.7%	-24.2%	8.5%	5.0%	
Melexis		12.1%	13.8%	-13.5%	-0.3%	28.3%	31.4%	15.3%	-3.3%	-11.7%	2.7%	6.9%	5.0%
NXP Semiconductor		15.6%	5.7%	-6.5%	-9.2%	43.6%	25.2%	8.8%	-4.4%	-0.5%	11.6%	13.3%	7.7%
Analog Devices		40.4%	4.7%	-3.7%	-2.1%	36.9%	30.6%	14.5%	-4.3%	18.7%	8.7%	9.0%	11.9%
Texas Instruments													
ON Semiconductor		26.1%	10.9%	-1.5%	-7.3%	35.8%	46.8%	28.5%	-9.7%	-21.0%			
Silergy							697.1%	23.3%	60.1%	20.1%	51.7%	19.5%	19.0%
Renesas		17.8%	-5.6%	-4.8%	-8.1%	35.6%	39.5%	2.4%	6.4%	-9.0%	11.5%	5.6%	5.9%
Innoscience									986.6%	45.1%	100.0%	100.0%	50.0%
Industrial Segment Revenue													
Infineon (€mn)						1,435	1,562	1,908	2,192	1,787	1,640	1,892	2,081
STMicroelectronics ($mn)		-	-	-	-	-	-	-	3,972	2,657	2,471	3,203	3,891
NXP Semiconductor ($mn)	1,471	1,718	1,813	1,599	1,836	2,410	2,713	2,951	2,269	2,273	2,922	3,194	3,370
Analog Devices ($mn)	2,347	3,582	3,827	3,587	3,884	4,945	6,526	6,015	4,181	5,363	7,701	8,562	9,397
ON Semiconductor ($mn)	953	1,417	1,594	1,428	1,354	1,800	2,291	2,278	1,801	1,675			
Silergy (NT$ mn)	2,806	3,432	3,646	4,088	4,782	7,288	7,890	5,316	5,875	5,781	7,470	8,924	10,615
Renesas (¥bn)	270	353	347	330	364	516	846	799	637	672	847	993	1,154
Innoscience (RMB mn)								228	219	521	893	1,713	2,084
Y/Y(%)													
Infineon						8.9%	22.2%	14.9%	-18.5%	-8.2%	15.4%	10.0%	
STMicroelectronics									-33.1%	-7.0%	29.6%	21.5%	
Melexis													
NXP Semiconductor		16.8%	5.5%	-11.8%	14.8%	31.3%	12.6%	-13.3%	-3.5%	0.2%	28.6%	9.3%	5.5%
Analog Devices		52.6%	6.8%	-6.3%	8.3%	27.3%	32.0%	-7.8%	-30.5%	28.3%	43.6%	11.2%	9.7%
ON Semiconductor		48.8%	12.5%	-10.4%	-5.2%	32.9%	27.3%	-0.5%	-21.0%	-7.0%			
Silergy		22.3%	6.2%	12.1%	17.0%	52.4%	8.3%	-32.6%	10.5%	-1.6%	29.2%	19.5%	19.0%
Renesas		30.8%	-1.9%	-4.9%	10.3%	41.8%	64.1%	-5.5%	-20.3%	5.5%	26.2%	17.2%	16.2%
Innoscience									-4.2%	137.9%	71.6%	91.7%	21.7%
Gross margin (reported)													
Infineon	36.0%	37.2%	38.7%	36.7%	32.9%	39.6%	44.5%	44.8%	39.9%	39.4%	42.1%	45.6%	
STMicroelectronics	34.7%	38.7%	39.5%	38.3%	36.7%	41.4%	47.1%	47.7%	41.4%	33.5%	41.4%	38.5%	42.0%
Melexis	45.7%	46.0%	45.9%	40.3%	39.0%	42.5%	44.8%	45.6%	43.0%	38.6%	40.1%	40.9%	41.3%
NXP Semiconductor	42.8%	49.9%	51.6%	52.0%	49.2%	54.8%	56.9%	56.9%	56.4%	54.7%	57.4%	58.6%	60.0%
Analog Devices	66.0%	61.1%	68.1%	66.4%	66.4%	67.8%	65.6%	62.5%	57.2%	62.8%	67.3%	68.1%	69.1%
Texas Instruments	61.6%	64.3%	65.1%	63.7%	64.1%	67.5%	68.8%	62.9%	58.1%	57.0%	60.1%	60.7%	61.7%
Microchip	49.9%	60.3%	54.3%	61.6%	61.7%	64.5%	67.1%	67.0%	58.0%	55.4%	62.0%	62.9%	63.1%
Navitas Semiconductor					21.4%	45.0%	31.5%	39.1%	34.0%	31.0%	39.3%	40.8%	41.9%
ON Semiconductor	33.2%	36.7%	38.1%	35.8%	32.7%	40.3%	49.0%	47.1%	45.4%	33.1%	40.1%	44.0%	46.2%
SG Micro	40.2%	43.4%	45.9%	46.9%	48.7%	55.5%	59.0%	49.6%	51.5%	50.8%	51.5%	51.4%	51.4%
Silergy	47.6%	47.7%	46.7%	47.5%	48.1%	53.3%	52.6%	42.7%	53.8%	51.6%	51.8%	53.3%	53.6%
Renesas			43.9%	41.0%	46.9%	49.9%	56.9%	56.8%	55.6%	57.1%			
Innoscience						-266.1%	-289.4%	-61.1%	-19.5%	7.3%	17.7%	33.1%	41.5%
YY bps change													
Infineon		120	150	(200)	(380)	670	490	30	(490)	(50)	265	350	(4,555)
STMicroelectronics		400	82	(128)	(157)	474	567	62	(629)	(788)	788	(291)	348
Melexis		30	(14)	(557)	(129)	350	231	83	(261)	(444)	153	81	34
NXP Semiconductor		706	167	45	(284)	566	209	(4)	(45)	(170)	268	120	141
Analog Devices		(483)	697	(166)	(6)	(856)	781	(315)	(531)	568	450	73	100
Texas Instruments		263	85	(140)	39	337	129	(586)	(476)	(112)	304	68	97
Microchip		1,039	(597)	728	9	285	257	(4)	(908)	(254)	655	98	14
Navitas Semiconductor					3,135	1,367	(1,353)	761	(508)	(299)	824	151	112
ON Semiconductor		349	139	(231)	(312)	762	870	(191)	(165)	(1,232)	705	388	218
SG Micro		319	251	94	185	677	348	(938)	193	(72)	67	(5)	(1)
Silergy		10	(101)	74	62	519	(70)	(992)	1,119	(222)	16	153	28
Renesas				(290)	586	301	698	(12)	(118)	145			
Innoscience		275	86	(70)	229	454	263	(176)	(235)	(244)	409	108	(315)
FCF													
Infineon (€mn, reported)	490	603	619	39	(6,727)	1,573	1,647	1,158	23	(1,051)	2,188	3,153	
NXP Semiconductor ($mn)	1,914	1,895	3,758	1,847	2,090	2,310	2,832	2,686	2,055	2,423	3,586	4,422	4,803
Analog Devices ($mn)	1,243	948	2,143	1,992	1,909	2,776	4,261	3,242	3,184	4,560	5,475	7,131	8,082
Texas Instruments ($mn)	4,019	3,891	5,403	5,220	5,938	6,261	6,931	2,677	1,559	2,450	7,401	8,228	9,738
Microchip ($mn)	871	1,211	1,384	1,480	1,790	2,233	3,171	2,815	970	820	1,328	1,794	2,239
Navitas Semiconductor ($mn)					(21)	(44)	(49)	(45)	(66)	(44)	(48)	(43)	(55)
ON Semiconductor ($mn)	371	707	759	160	501	1,337	1,628	402	1,212	1,419	1,495	1,995	2,492
SG Micro (RMB mn)	78	124	84	145	324	763	948	(63)	309	466	687	893	1,192
Silergy (NT$ mn)	1,375	1,765	2,033	2,270	3,651	5,893	6,410	2,873	402	244	3,395	5,272	6,894
Renesas (¥bn)	57	(268)	91	(540)	184	(356)	382	229	(944)	328	531	418	
Innoscience (RMB mn)						(1,683)	(1,401)	(925)	(508)	(1,017)	1,586	(1,326)	(225)
Inventory Days													
Infineon	109	104	122	128	115	121	142	178	181	181	148	142	142
STMicroelectronics	97	89	90	100	99	92	97	106	123	137	129	121	127
Melexis			143	161	146	142	142	177	181	213	226	205	205
NXP Semiconductor	75	97	102	102	86	87	114	136	156	169	155	147	142
Analog Devices	108	93	109	111	115	100	129	131	135	148	139	131	126
Texas Instruments	126	132	145	138	136	115	159	221	249	228	193	178	164
Microchip	100	115	112	128	120	123	160	170	248	198	187	185	180
Navitas Semiconductor					153	335	268	175	103	153	291	272	248
ON Semiconductor	146	110	121	126	127	124	138	174	209	194	202	205	188
ROIC													
Infineon	14.4%	19.6%	25.9%	16.6%	4.8%	12.2%	19.1%	18.5%	8.4%	7.1%	12.0%	17.5%	19.8%
STMicroelectronics	6.7%	17.7%	23.3%	15.9%	15.4%	24.1%	34.7%	29.9%	9.7%	2.7%	7.3%	13.8%	17.5%
Melexis		57.3%	38.2%	20.7%	24.1%	39.3%	50.9%	44.6%	33.0%	16.9%	19.6%	23.3%	24.9%
NXP Semiconductor	-0.6%	12.7%	16.7%	9.8%	2.9%	15.8%	21.7%	19.4%	16.8%	12.9%	21.4%	22.3%	24.2%
Analog Devices		5.9%	10.5%	8.5%	9.6%	3.8%	8.7%	7.4%	4.4%	7.4%	13.2%	14.9%	16.6%
Texas Instruments	33.8%	40.9%	58.5%	55.6%	58.5%	68.9%	62.1%	32.9%	21.0%	20.7%	29.9%	31.8%	38.1%
Microchip	4.0%	13.0%	4.4%	5.2%	6.1%	10.1%	17.9%	20.1%	4.1%	1.5%	8.9%	12.2%	15.1%
Navitas Semiconductor													
ON Semiconductor	5.3%	14.2%	14.5%	5.6%	5.9%	17.8%	29.4%	25.3%	16.6%	1.0%	10.0%	19.7%	27.3%
SG Micro		49.4%	17.3%	18.7%	31.9%	64.8%	62.4%	10.7%	13.7%	12.9%	19.3%	24.2%	28.5%
Silergy	27.0%	23.3%	19.5%	21.2%	29.6%	54.7%	35.7%	-2.3%	8.9%	6.3%	10.0%	18.6%	23.4%
Innoscience								-22.2%	-24.9%	-16.5%	-13.9%	1.7%	22.4%
ROCE													
Infineon	9.6%	13.0%	17.2%	8.7%	3.5%	9.0%	15.2%	16.0%	7.3%	6.3%	10.1%	14.0%	14.8%
STMicroelectronics	8.5%	22.9%	28.4%	21.5%	19.5%	31.4%	43.6%	36.5%	12.9%	4.1%	9.2%	18.2%	23.4%
Melexis		43.0%	38.4%	19.4%	20.0%	37.9%	46.0%	35.2%	27.8%	16.8%	18.5%	20.1%	21.2%
NXP Semiconductor	-0.7%	9.9%	14.9%	3.5%	2.3%	14.0%	19.0%	18.1%	16.1%	13.4%	20.8%	20.7%	21.4%
Analog Devices	11.7%	6.1%	9.2%	7.8%	8.5%	3.3%	8.5%	7.2%	4.3%	7.9%	13.6%	15.6%	17.6%
Texas Instruments	32.4%	38.3%	43.6%	34.9%	33.7%	39.6%	41.0%	24.7%	16.8%	18.9%	26.0%	28.4%	31.2%
Microchip	3.1%	11.5%	3.9%	5.1%	6.1%	10.8%	19.4%	24.6%	4.6%	1.3%	8.8%	13.3%	14.0%
Navitas Semiconductor					-44.6%	-24.1%	-29.9%	-27.2%	-35.4%	-24.0%	-32.6%	-42.0%	-46.7%
ON Semiconductor	4.4%	11.8%	13.9%	6.6%	5.0%	15.9%	23.8%	23.0%	13.9%	0.8%	8.3%	17.4%	25.6%
SG Micro	35.7%	21.0%	11.8%	15.3%	20.5%	34.6%	34.5%	7.4%	12.1%	10.6%	15.2%	18.3%	20.2%
Silergy	19.8%	17.7%	15.8%	16.4%	18.1%	31.0%	20.7%	-1.6%	6.4%	5.4%	8.4%	14.5%	17.0%
Innoscience							-87.1%	-23.2%	-23.2%	-15.3%	-9.6%	1.4%	18.3%

Source: Company data, Morgan Stanley Research estimates (e)

2Q26 More to come from the cycle

A reminder of last print: end-market acceleration. Our distribution survey, *Disti Survey 1Q'26: From Stabilizing to Accelerating*, pointed to a strong set of analog prints with upside to come from industrial and power. We flagged that commentary on the automotive segment could present surprise as input cost inflation and geopolitical uncertainty meant sentiment remained cautious into the print. Results last quarter reaffirmed our expectations with above seasonal guides and incrementally positive commentary on the automotive and industrial end-markets. Automotive design momentum was clear with analog semis citing design wins across electric, hybrid and traditional vehicles (here). Software defined vehicles continue to support this but growth remains muted relative to that of structural drivers. Signs of replenishment mark a significant contrast to the deterioration that hurt analog stocks in the previous downturn.

Exhibit 8: End-market commentary from our coverage

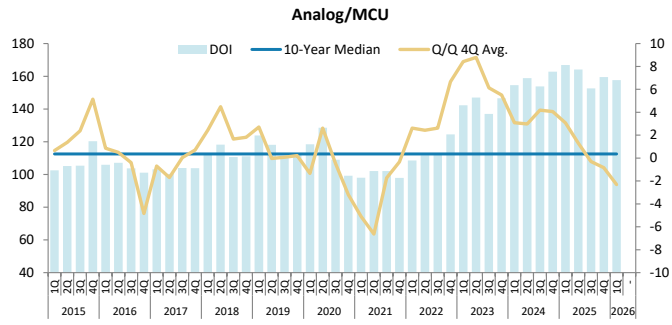
Company	Guide	Automotive Commentary	Industrial Commentary
ADI	Quarterly guide	Record auto revenue $868mn; next Q expected to grow M/HSD qq on record bookings and lean inventories	Next Q industrial expected to grow M/HSD qq as broad-based recovery continues
	FY guide	no explicit FY auto guide; positive outlook from SDV/electrification and backlog	no explicit FY industrial guide; recovery supported by lean inventories and improving orders
Infineon	Quarterly guide	ATV revenue c.€1.83bn; next Q guided slight revenue growth, but near-term auto outlook muted	Order intake picking up and channel stocks approaching low levels
	FY guide	SDV/electrification adoption supports growth; auto recovery expected gradual	industrial recovery expected through FY as inventory correction eases; no precise FY segment guide disclosed
Innoscience	Quarterly guide	No segment-specific quarterly guide disclosed; automotive-grade GaN applications in NEVs expanding	No segment-specific quarterly guide disclosed; GaN demand spans industrial, data center and consumer power
	FY guide	no explicit FY auto guide; NEV partnerships support power electronics growth	no explicit FY industrial guide; industrial/data center power remains key focus
Melexis	Quarterly guide	Auto 89% of Q1 sales; quarterly results in line with seasonality and auto purchase-incentive changes	Industrial smaller; quarterly demand supported by position sensing for robots/industrial markets
	FY guide	no explicit FY auto guide; auto remains core exposure	no explicit FY industrial guide; high-precision inductive sensors broaden industrial exposure
Microchip	Quarterly guide	Auto demand improving as inventories normalize; no segment-specific quarterly guide disclosed	Industrial demand improving after customer inventory reduction; no segment-specific quarterly guide disclosed
	FY guide	no explicit FY auto guide; MCUs/analog/FPGA support access, ADAS, networking and EV applications	no explicit FY industrial guide; MCUs/MPUs, PIC64 and FPGA target industrial automation/edge AI
Navitas Semi	Quarterly guide	Auto/EV still emerging; no segment-specific quarterly guide disclosed	Sequential growth outlook led by AI data center, grid/energy infrastructure and industrial electrification
	FY guide	no explicit FY auto guide; GaN/SiC targets EV OBC/DC-DC and high-power auto applications	no explicit FY industrial guide; strategic focus shifting to high-power industrial/data center markets
NXP Semi	Quarterly guide	Q1 auto $1.782bn, +6% yy / -5% qq; Q2 guide implies seasonal stabilization	Q1 Industrial & IoT $628mn, +24% yy / -2% qq; Q2 expected broadly stable
	FY guide	no explicit FY auto guide; SDV processing momentum remains structural driver	no explicit FY industrial guide; physical AI and edge processing remain growth drivers
On Semiconductor	Quarterly guide	Auto +5% yy after seven quarters of decline; next Q expected roughly flat with stabilization	Industrial down 6% qq but ahead of expectations; next Q demand still mixed
	FY guide	no explicit FY auto guide; recovery depends on EV/ADAS and power demand	no explicit FY industrial guide; management indicates stabilization after inventory digestion
Renesas	Quarterly guide	Auto stronger than expected in Q1, especially Japan; next Q auto expected to increase	Industrial revenue expected to grow MSD qq next Q
	FY guide	no explicit FY auto guide; utilization rising to meet stronger sell-through	no explicit FY industrial guide; demand recovery expected as inventory correction normalizes
Rohm	Quarterly guide	Quarterly auto demand recovering gradually with EV/ADAS content growth	Quarterly industrial recovery remains uneven but improving
	FY guide	auto segment expected to grow 5.6% in FY26	industrial expected to grow c.5% in FY26
SG Micro	Quarterly guide	No segment-specific quarterly guide disclosed; automotive analog/power management focus expanding via DACH channel	No segment-specific quarterly guide disclosed; analog/power products target industrial, medical and communications uses
	FY guide	no explicit FY auto guide disclosed	no explicit FY industrial guide disclosed
Silergy	Quarterly guide	No segment-specific quarterly guide disclosed; auto portfolio includes LED drivers, PMIC/MCU, ADAS, BMS, OBC/DC-DC and traction inverter	No segment-specific quarterly guide disclosed; industrial exposure across factory automation, ESS, motor/power control and building automation
	FY guide	no explicit FY auto guide disclosed	no explicit FY industrial guide disclosed
STMicroelectronics	Quarterly guide	Auto expected to improve sequentially as inventories normalize	Industrial inventories normalized and sequential improvement expected
	FY guide	auto expected up HSD% for FY	industrial expected up c.30% for FY, supported by MCUs/sensing
Texas Instruments	Quarterly guide	Auto grew 5% yy and was flat qq; Q2 expected to remain stable to modestly better	Broad-based industrial recovery in Q1, accelerating through the quarter; Q2 expected above seasonal
	FY guide	no explicit FY auto guide; recovery tied to broad analog demand	no explicit FY industrial guide; recovery expected to continue through year

Source: Morgan Stanley Research

Incrementally constructive inventory tracker. This quarter's inventory tracker (see *Semiconductor Inventory Tracker: Not Restocking Yet*) indicates continued channel normalization but not yet a broad-based demand recovery. Distributor inventories remain the most encouraging data point, with distributor DOI declining by 2 days qq despite a

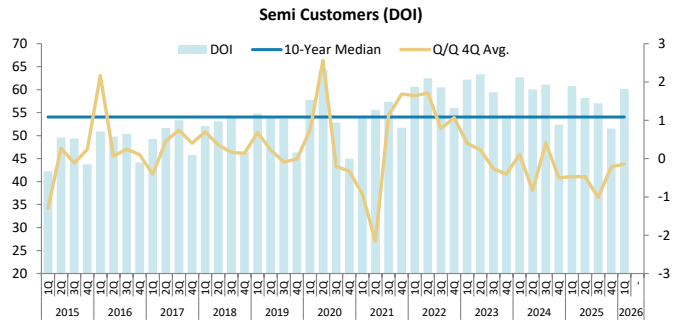
typical seasonal increase of 4 days, suggesting ongoing channel digestion and improving inventory discipline. At the producer level, Analog/MCU inventory declined by 2 days qq, one of the few semiconductor segments to see sequential inventory reductions. However, inventory remains 45 days above the historical median, highlighting that the correction is still incomplete. Meanwhile, end-market inventories remain mixed, with industrial customers and machinery OEMs continuing to hold elevated inventory levels, while auto supplier inventories have largely normalized. All in, we think this points to an improving supply-demand balance for our global analog coverage, but we think recovery is likely to remain gradual rather than V-shaped.

Exhibit 9: Analog/MCU inventories



Source: Factset, Morgan Stanley Research.

Exhibit 10: Semi customers DOI



Source: Factset, Morgan Stanley Research.

Debate into the quarter: restocking vs durable demand. Across our US and European analog coverage, inventory screens early-cycle constructive. Customer and distributor inventories are lean, gradual replenishment has begun, lead times are improving, and pricing pressure is easing. However, the key debate is restocking versus durable demand. Our conversations with companies suggest that management aren't seeing any signs of a significant restocking cycle, as they are able to increase prices and prevent cancellations. Although some companies have spoken to potential early ordering , **for now we aren't concerned and instead view this as a positive signal of pricing power.**

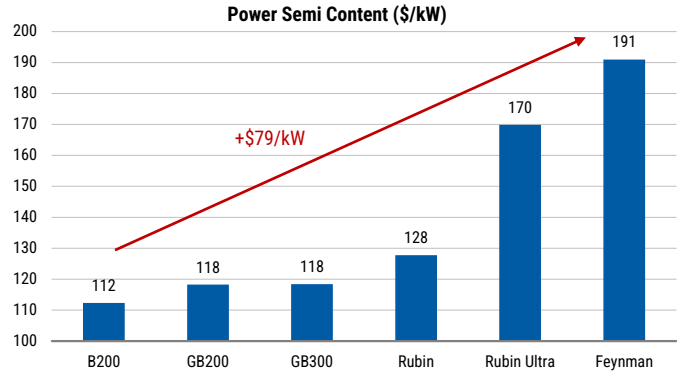
2Q26 Theme: Data Center Power and Networking

1. Powering the Data Center

Intrigue on potential 800v delays hasn't gone away. Reports on delayed Kyber architecture have halted the YTD run of power semi beneficiaries. For instance, while Infineon has traded up 92% YTD, the stock is down 3% in the last month as the market has struggled to interpret what potential delays may mean for the power architecture. Into this reporting season **we expect investor focus to remain on the nature of these delays and what the implications may be for the trajectory of power semi deployment to the data center into 2027 and 2028**. While we acknowledge that the Kyber architecture is being replaced (see *NVDA NDR highlights diversified growth opportunities*), we think our thesis on the roll out of power semi content in the data center remains intact. Our channel checks suggest that the side car is being introduced at lower voltages and isn't contingent on the deployment of Kyber architecture. Rather, we expect side cars to begin shipping in 3Q26 (see *Computex 2026 Takeaways*), suggesting little downside risk to our server rack estimates.

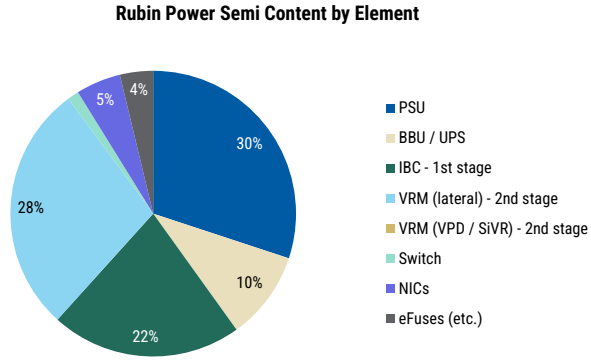
Expect Infineon to reaffirm data center guidance. In the meantime, there is a growing $/kw story regardless of a replacement Kyber architecture. We continue to model power semi content per rack ramping from $128/kW for Rubin to $191/kW for Feynman. At the last print management spoke to a $175/kW average of power semi content in the data center and reaffirmed guidance of €1.5bn and €2.5bn sales for FY26 and FY27, respectively. **With demand coming in earlier than expected and potential price improvements, we don't think the company will cut estimates and instead at least confirm this guidance**.

Exhibit 11: We continue to view power semi content ramping from $128/kW for Rubin to $191/kW for Feynman racks.



Source: Morgan Stanley Research estimates

Exhibit 12: We see the most significant power semi deployment in the PSU and lateral VRMs in Rubin racks this year.



Source: Morgan Stanley Research estimates

2. Optical Networking

Optical revenue trajectory in focus for STMicro. In Europe Analog, we think STMicroelectronics' optical exposure positions it best for an upward surprise this quarter. Since the last print, the company has doubled its FY26 data center revenue guidance to c. $1bn (prior $500mn), and outlined that this could double again in FY27. Our

understanding is that this is from accelerating demand for PICs and optical networking as recent order patterns point to a strong uptake of STMicro's PIC100. For instance, according to media reports, at the AI Data Center Optical Communications and Interconnect Tech Conference, STMicroelectronics indicated that a Chinese optical transceiver manufacturer had placed an order equivalent to 5-10% of STM's annual revenue. Overall, we think the combination of a meaningful near-term PIC100 deployment and the higher margin profile of the optical business supports our outlook for the stock.

Stock in Focus: STMicroelectronics

We are Overweight STM, PT €78. We value the core business at 18x, consistent with the cyclical story, and optical/LEO at 36x to reflect structural growth potential. We continue to expect opticals to become an increasing share of the business as data centre networking shifts from copper to photonics while LEO is also emerging as a material growth vector. As with the peer group, the underlying business is improving with better visibility and easing pricing pressure.

Cyclical recovery signalled last quarter. STMicro printed broadly in-line Q1 sales at $3.1bn and GM% at 33.8%. Both the Q2 sales and margins beat consensus, with sales guided to be up 11.6% sequentially at $3.45bn. Notably, management spoke to lower unused capacity charges at 100bps (vs our estimate at c.200bps) while speaking to improved visibility and shortening lead times. After a prolonged inventory correction across industrial and automotive markets, management is now seeing stronger order intake, improving visibility, cleaner channel inventories and a book-to-bill ratio above one across all major end markets. Industrial demand appears to have bottomed, general-purpose MCU inventories are normalising and pricing has stabilised, with selective MCU price increases demonstrating improving pricing power.

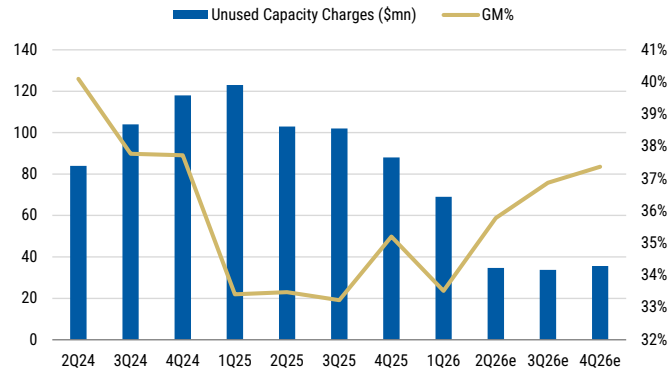
Data centre guidance lifted; optical exposure underappreciated. STMicroelectronics data centre revenue can be segmented into two categories: (i) power and (ii) opticals. The real structural opportunity lies in silicon photonics, where ST is becoming a key supplier of PICs/EICs, optical engines and high-performance MCUs for hyperscaler AI networks. Management has repeatedly increased its data-centre outlook, with growth increasingly driven by photonics rather than power, and we expect optical to become the dominant component of AI data-centre revenue as the PIC100 ramps and NPO architectures emerge. This mix shift should not only accelerate revenue growth but also lift margins, with optical and LEO expected to generate materially higher gross margins than the legacy business due to favourable product mix and improving utilisation. In April we upgraded STMicro on the optical opportunity (see Optical Upside: Move to Overweight) and recently lifted our PT to €78 (see Underappreciated optical earnings power).

Low-earth orbit taking off. We see STMicro as one of the strongest semiconductor beneficiaries of the emerging low earth orbit (LEO) satellite ecosystem, with a differentiated portfolio spanning RF BiCMOS, digital ASICs, analog ICs, MCUs and advanced panel-level packaging across user terminals, satellites and gateway infrastructure. Management expects cumulative LEO revenue to exceed $3bn over FY26-28, with sales growing from c.$600m in 2025 to around $1bn in 2026 as deployments accelerate and customer diversification expands beyond its largest programme. User terminals represent the largest revenue opportunity, supported by STM's leading RF front-end and beamforming technologies, while satellite content provides additional upside through higher-value RF, ASIC and MCU solutions. We expect LEO sales to grow at a c.48% CAGR through FY28, whereby we see user terminals as the most significant growth driver at a 52% CAGR. Beyond the near-term cycle, we think LEO offers a high-margin, multi-year structural growth opportunity that complements STM's AI data centre

optics business, improving product mix and supporting a higher long-term earnings profile.

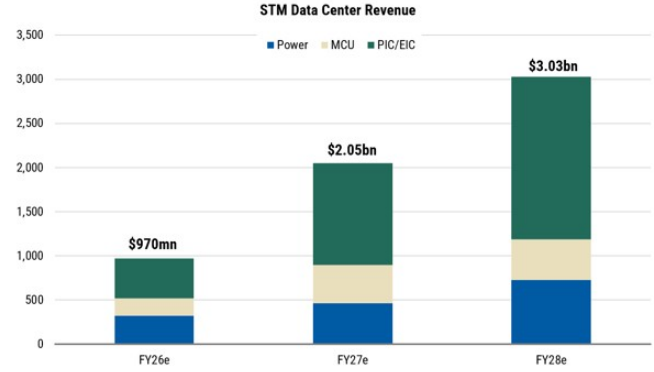
Into the Q2 print. STMicroelectronics reports 2Q26 results on 23rd July 2026. While we expect an in-line quarter, we believe cyclical recovery and structural growth could mean that the FY revenue and margin guide surprises to the upside. See our preview here: *Underappreciated Optical Earnings Power*.

Exhibit 13: We expect unused capacity charges to decline, contributing to GM% recovery...



Source: Company data, Morgan Stanley Research estimates (e)

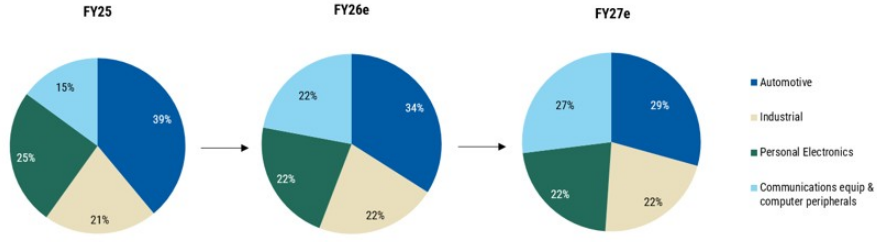
Exhibit 14: ...while data center exposure continues to grow.



Source: Company data, Morgan Stanley Research estimates

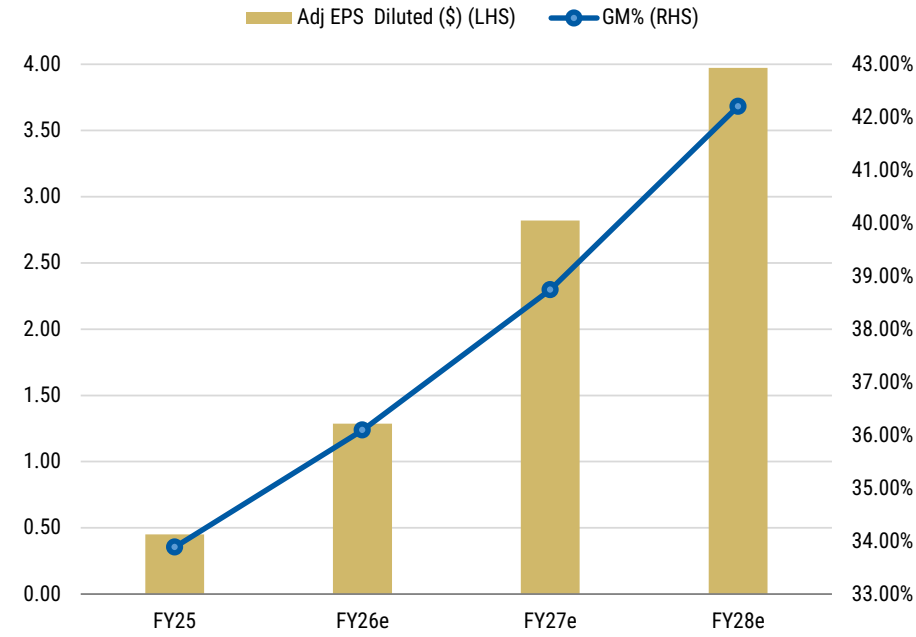
Exhibit 15:

We see STMicro's CECP exposure growing as Automotive exposure declines.



Source: Morgan Stanley Research estimates

Exhibit 16: STMicroelectronics' earnings expansion into FY28.



Source: Company Data, Morgan Stanley Research estimates (e)

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(as of June 30, 2026)

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	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1544	42%	453	49%	29%	757	44%
Equal-weight/Hold	1577	43%	390	42%	25%	769	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	544	15%	89	10%	16%	204	12%
Total	3,668		933			1731	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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Overweight (O or Over) - The stock's total return is expected to exceed the total return of the relevant country MSCI Index or the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis over the next 12-18 months.
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Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

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INDUSTRY COVERAGE: Technology - European Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (07/10/2026)
Lee Simpson		
ASML Holding NV (ASML.AS)	O (09/22/2025)	€1,569.00
Infineon Technologies AG (IFXGn.DE)	O (02/06/2025)	€72.48
STMicroelectronics NV (STMPA.PA)	O (03/26/2026)	€62.00
Nigel van Putten		
Aixtron SE (AIXGn.DE)	E (05/25/2023)	€43.63
ASM International NV (ASMI.AS)	O (06/19/2024)	€910.40
BE Semiconductor Industries NV (BESI.AS)	O (11/07/2022)	€255.30
Melexis N.V. (MLXS.BR)	E (02/05/2026)	€72.30
Nordic Semiconductor ASA (NOD.OL)	E (02/10/2025)	NKr 168.20
Soitec SA (SOIT.PA)	O (03/26/2026)	€98.00
VAT Group AG (VACN.S)	E (03/21/2025)	SFr 680.60

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* Historical prices are not split adjusted.

INDUSTRY COVERAGE: Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (07/10/2026)
Joseph Moore		
Advanced Micro Devices (AMD.O)	E (06/09/2024)	US$557.89
Aeva Technologies Inc (AEVA.O)	E (07/19/2021)	US$20.99
Allegro Microsystems Inc (ALGM.O)	O (02/13/2026)	US$54.87
Ambarella Inc (AMBA.O)	O (03/29/2016)	US$77.30
Amkor Technology Inc (AMKR.O)	E (11/08/2023)	US$70.47
Analog Devices Inc. (ADI.O)	O (11/16/2023)	US$395.65

Astera Labs Inc (ALAB.O)	O (05/11/2025)	US$412.97
Broadcom Inc. (AVGO.O)	O (06/09/2024)	US$399.97
Cerebras Systems (CBRS.O)	O (06/08/2026)	US$215.08
GlobalFoundries Inc (GFS.O)	E (10/28/2024)	US$68.97
Intel Corporation (INTC.O)	E (02/22/2023)	US$109.84
IonQ Inc (IONQ.N)	E (04/25/2023)	US$42.86
Marvell Technology Group Ltd (MRVL.O)	E (09/14/2015)	US$235.81
Microchip Technology Inc. (MCHP.O)	E (07/10/2024)	US$88.59
Micron Technology Inc. (MU.O)	O (10/06/2025)	US$979.30
Navitas Semiconductor Corp (NVTS.O)	U (04/06/2025)	US$13.47
NVIDIA Corp. (NVDA.O)	O (03/16/2023)	US$210.96
NXP Semiconductor NV (NXPI.O)	O (02/11/2025)	US$292.26
ON Semiconductor Corp. (ON.O)	++	US$95.96
Qorvo Inc (QRVO.O)	E (10/28/2025)	US$85.81
Qualcomm Inc. (QCOM.O)	E (06/24/2026)	US$189.16
Quantinuum (QNT.O)	E (06/29/2026)	US$70.45
SanDisk Corporation. (SNDK.O)	O (03/03/2025)	US$1,915.92
Semtech Corp. (SMTC.O)	E (04/06/2025)	US$136.13
Silicon Laboratories Inc. (SLAB.O)	E (01/19/2021)	US$218.63
Skyworks Solutions Inc (SWKS.O)	E (11/28/2018)	US$60.38
Texas Instruments (TXN.O)	U (04/13/2020)	US$311.46
Wolfspeed, INC (WOLF.N)	NR (04/06/2025)	US$35.29
Lee Simpson		
Arm Holdings plc (ARM.O)	E (04/07/2026)	US$323.39
Cadence Design Systems Inc (CDNS.O)	O (02/14/2024)	US$384.17
Synopsys Inc. (SNPS.O)	E (02/27/2026)	US$445.50

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INDUSTRY COVERAGE: Greater China Technology Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (07/10/2026)
Charlie Chan		
ACM Research Inc (ACMR.O)	O (03/07/2023)	US$103.00
Advanced Micro-Fabrication Equipment Inc (688012.SS)	O (11/06/2023)	Rmb434.51
Advanced Wireless Semiconductor Co (8086.TWO)	U (07/14/2025)	NT$136.00
Alchip Technologies Ltd (3661.TW)	O (05/14/2021)	NT$4,210.00
ASE Technology Holding Co. Ltd. (3711.TW)	O (09/15/2024)	NT$677.00
Cambricon Technology Corporation (688256.SS)	O (04/27/2026)	Rmb1,400.00
Global Unichip Corp (3443.TW)	O (06/24/2026)	NT$4,340.00
GlobalWafers Co Ltd (6488.TWO)	E (05/19/2026)	NT$1,350.00
Gudeng Precision (3680.TWO)	O (11/25/2025)	NT$496.00
Hua Hong Semiconductor Ltd (1347.HK)	E (03/12/2026)	HK$185.50
Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)	O (04/27/2026)	HK$482.20
King Yuan Electronics Co Ltd (2449.TW)	O (03/03/2023)	NT$308.50
Maxscend Microelectronics Co Ltd (300782.SZ)	U (01/11/2021)	Rmb94.69
MediaTek (2454.TW)	O (11/28/2025)	NT$3,925.00
MetaX Integrated Circuits (688802.SS)	E (04/27/2026)	Rmb909.35
Nanya Technology Corp. (2408.TW)	O (05/28/2026)	NT$435.50
NAURA Technology Group Co Ltd (002371.SZ)	O (11/06/2023)	Rmb801.00
OmniVision Integrated Circuits Group Inc (603501.SS)	E (11/17/2025)	Rmb103.21
Phison Electronics Corp (8299.TWO)	E (02/25/2026)	NT$2,220.00
SG Micro Corp. (300661.SZ)	E (11/03/2025)	Rmb124.25
Silergy Corp. (6415.TW)	U (05/19/2026)	NT$523.00
SMIC (0981.HK)	O (10/21/2025)	HK$79.65

TSMC (2330.TW)	O (02/07/2022)	NT$2,415.00
UMC (2303.TW)	O (05/19/2026)	NT$156.00
Vanguard International Semiconductor (5347.TWO)	E (01/14/2026)	NT$173.00
WIN Semiconductors Corp (3105.TWO)	U (07/14/2025)	NT$406.00
Daisy Dai, CFA		
ASMPT Ltd (0522.HK)	O (07/24/2025)	HK$187.90
China Resources Microelectronics Limited (688396.SS)	U (03/02/2026)	Rmb79.10
Empyrean Technology Co Ltd (301269.SZ)	E (01/17/2025)	Rmb112.40
Hangzhou Silan Microelectronics Co. Ltd. (600460.SS)	U (08/25/2025)	Rmb44.51
Hygon Information Technology Co., Ltd. (688041.SS)	O (07/03/2026)	Rmb353.00
Innoscience (2577.HK)	E (10/13/2025)	HK$52.75
JCET Group Co Ltd (600584.SS)	E (01/16/2026)	Rmb101.11
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK$31.64
SICC Co Ltd (688234.SS)	O (03/20/2026)	Rmb141.78
StarPower Semiconductor Ltd (603290.SS)	E (05/14/2026)	Rmb123.81
Unigroup Guoxin Microelectronics Co Ltd (002049.SZ)	U (01/10/2023)	Rmb85.83
Universal Scientific Ind. (Shanghai) (601231.SS)	O (11/05/2025)	Rmb30.36
Yangjie Technology (300373.SZ)	O (06/10/2022)	Rmb118.67
Daniel Yen, CFA		
AP Memory Technology Corp (6531.TW)	O (07/11/2025)	NT$922.00
ASMedia Technology Inc (5269.TW)	U (10/03/2025)	NT$1,480.00
Aspeed Technology (5274.TWO)	O (06/09/2025)	NT$13,665.00
Egis Technology Inc (6462.TWO)	E (01/28/2026)	NT$110.50
Elan Microelectronics Corp (2458.TW)	O (10/03/2025)	NT$183.50
Espressif Systems (688018.SS)	O (05/15/2023)	Rmb123.77
GigaDevice Semiconductor Beijing Inc (603986.SS)	O (05/15/2025)	Rmb612.00
Macronix International Co Ltd (2337.TW)	O (09/18/2025)	NT$143.50
Montage Technology Co Ltd (6809.HK)	O (03/18/2026)	HK$350.40
Montage Technology Co Ltd (688008.SS)	O (03/18/2026)	Rmb268.06
Novatek (3034.TW)	U (02/04/2026)	NT$542.00
Nuvoton Technology Corporation (4919.TW)	U (11/10/2025)	NT$162.50
Parade Technologies Ltd (4966.TWO)	O (05/27/2026)	NT$655.00
Powerchip Semiconductor Manufacturing Co (6770.TW)	O (10/27/2025)	NT$71.10
Realtek Semiconductor (2379.TW)	E (01/30/2026)	NT$840.00
Shenzhen Goodix Technology Co Ltd (603160.SS)	U (07/14/2025)	Rmb58.50
Winbond Electronics Corp (2344.TW)	O (05/28/2026)	NT$176.50
WPG Holdings (3702.TW)	O (03/16/2026)	NT$106.50
WT Microelectronics Co. Ltd. (3036.TW)	O (01/27/2026)	NT$211.50
Duan Liu		
Dosilicon Co Ltd (688110.SS)	U (09/06/2024)	Rmb164.00
Shenzhen Longsys Electronics Co Ltd (301308.SZ)	E (02/25/2026)	Rmb587.60
Tiffany Yeh		
AllRing Tech Co. (6187.TWO)	O (09/23/2025)	NT$1,050.00
FOCI Fiber Optic Communications Inc (3363.TWO)	O (01/15/2025)	NT$608.00
Himax Technologies Inc (HIMX.O)	E (02/04/2026)	US$15.23
Hon Precision (7769.TW)	O (04/17/2026)	NT$6,660.00
MPI Corporation (6223.TWO)	O (04/17/2026)	NT$7,080.00
Silicon Motion (SIMO.O)	O (05/06/2024)	US$326.35
WinWay Technology Co Ltd (6515.TW)	O (04/17/2026)	NT$7,765.00

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INDUSTRY COVERAGE: Japan Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (07/10/2026)

Kazuo Yoshikawa, CFA		
HOYA (7741.T)	E (10/30/2023)	¥24,975
KIOXIA Holdings (285A.T)	O (08/12/2025)	¥77,000
Renesas Electronics (6723.T)	O (11/26/2019)	¥4,762
Rohm (6963.T)	++	¥5,600
Socionext (6526.T)	U (01/27/2026)	¥2,850

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